REMARKS

I. Introduction

In response to the Office Action dated November 18, 2004, no claims have been cancelled, amended or added. Claims 1-15 remain in the application. Re-examination and re-consideration of the application, as amended, is requested.

II. Prior Art Rejections

A. The Office Action Rejections

In item (4) of the Office Action, claims 1-15 were rejected under 35 U.S.C. §103(a) as being unpatentable over Price et al., "College Accounting, Seventh Edition," (Price).

Applicant's attorney respectfully traverses these rejections.

B. Applicant's Independent Claims

Independent claims 1, 6, and 11 are generally directed to a method, system and article of manufacture for performing financial processing in a computer. Claim 1 is representative, and comprises the steps of:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)

(c) wherein the Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue

– Cost of Funds

\+ Value of Funds

– Interest Expense

\+ Earnings on Allocated Equity (EOAE);

(d) wherein the Earnings on Allocated Equity includes an identification of how much equity to allocate to the accounts, and one or more rates used in the calculation of the NIR due to the allocation.

C. The Price Reference

Price is a college accounting textbook that describes accounting concepts and principles. The portions cited describe analyzing business transactions including the accounting cycle, accounting for assets and liabilities including accounts receivable and uncollectible accounts, and responsibility and cost accounting including departmentalized profit and cost centers.

D. The Applicant's Invention is Patentable Over the Reference

The Applicant's invention, as recited in independent claims 1, 6, and 11 is patentable over the reference, because it contains limitations not taught by the reference. Specifically, the reference does not teach or suggest the specific combination of limitations found in Applicant's claims.

The Office Action, however, asserts the following:

> Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Price et al. "College Accounting, Seventh Edition" (hereafter "Price")
>
> Price discloses event attributes, e.g. pgs 28-41, 529, 531, 966-982 (Fig. 27-5), a method measuring profit based on the factors of net interest revenue, other revenues (Fig. 27-5, line 4, "Operating Revenues"), direct expenses (Fig. 27-5, line 22, "Direct Expenses"), indirect expenses (Fig. 27-5, line 30, "Indirect Expenses"), and risk (Fig. 27-5, line 6, "Less Sales Returns and Allowances"), all set up to take advantage of flexible business rules.
>
> Official Notice is taken that performing financial processing using computer software is common knowledge in the art.
>
> To have provided business rules to calculate known variations of one of the factors, e.g., earnings on allocated equity, would have been obvious to one of ordinary skill in the art.
>
> To have provided a method of performing financial processing for an account using software for a computer measuring profit based on the factors of

> net interest revenue, other revenues, direct expenses, indirect expenses and risk, all set up to take advantage of flexible business rules the business rules to calculate known variations of one of the attribute factors, e.g. risk provisions, would have been obvious to one of ordinary skill in the art. Doing such would incorporate common knowledge data along with common knowledge software.
>
> Applicant's August 13, 2004 and February 11, 2004 REMARKS have been reviewed, but are not moot in light of the new rejection. In short, Applicant's profitability calculations are common knowledge variance for defining total income less total expenses. The account, event and organization attributes, e.g., future losses, direct and indirect expenses, claimed have been common knowledge criteria used within the business community for a period of time far exceeding Applicant's filing date. To have incorporated such common knowledge in the profitability calculations of Price, as modified by Official Notice, would have been obvious to one of ordinary skill in the art.

Applicant's attorney respectfully disagrees.

Price does not teach or suggest the claimed elements of accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status, and performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)

wherein the Net Interest Revenue (NIR) is calculated as:

NIR	=	Interest Revenue
	–	Cost of Funds
	+	Value of Funds
	–	Interest Expense
	+	Earnings on Allocated Equity (EOAE);

wherein the Earnings on Allocated Equity includes an identification of how much equity to allocate to the accounts, and one or more rates used in the calculation of the NIR due to the allocation.

More specifically, Price does not teach or suggest the claimed profitability calculations wherein the Net Interest Revenue (NIR) is calculated in the manner as set forth in the independent claims. Instead, the "Net Interest Revenue" is only referred to generally by the Office Action, and no specification citation to Price is made with regard to this element. Consequently, the rejections fail to persuade.

Applicant's claimed invention provides operational advantages over the system disclosed in Price. Price reflects an outdated approach to income statements. Applicant's invention, on the other hand, describes a different, more sophisticated model for implementing profitability calculations in a computer system, as well as a different, more sophisticated set of relationships between the elements of the model. Price fails to teach or suggest the specific model, all of the elements of the model, or the relationships between the various elements.

Thus, Applicant's attorney submits that the independent claims are allowable over Price. Further, the dependent claims are submitted to be allowable over Price in the same manner, because they are dependent on independent claims, and because they contain all the limitations of the independent claims. In addition, the dependent claims recite additional novel elements not shown by Price.

III. Conclusion

In view of the above, it is submitted that this application is now in good order for allowance and such allowance is respectfully solicited. Should the Examiner believe minor matters still remain that can be resolved in a telephone interview, the Examiner is urged to call Applicant's undersigned attorney.

Respectfully submitted,

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